



CITY OF AUBURN, WASHINGTON

**ORDINANCE NO. 6305**

AN ORDINANCE of the City of Auburn, Washington, relating to contracting indebtedness; providing for the issuance of four series of limited tax general obligation bonds of the City in the aggregate principal amount of \$ \_\_\_\_\_, for general City purposes to provide funds with which to (i) pay a portion of the costs to purchase additional office space near City Hall, to be known as the City Hall Annex, and associated property interests, equipment and appurtenances, (ii) carry out a current refunding of all of the City's outstanding Limited Tax General Obligation Bonds, 1998, and to pay the administrative costs of such refunding, (iii) pay for certain downtown infrastructure improvements in the City's revitalization area, and (iv) pay costs of issuance of the bonds; fixing the date, form, maturities, interest rates, terms and covenants of the bonds; establishing a bond redemption fund, a project fund and a project account; and approving the sale and providing for the delivery of the bonds to Seattle-Northwest Securities Corporation of Seattle, Washington.

Passed May 3, 2010

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## **ORDINANCE NO. 6305**

AN ORDINANCE OF THE CITY OF AUBURN, WASHINGTON, RELATING TO CONTRACTING INDEBTEDNESS; PROVIDING FOR THE ISSUANCE OF FOUR SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$ \_\_\_\_\_, FOR GENERAL CITY PURPOSES TO PROVIDE FUNDS WITH WHICH TO (I) PAY A PORTION OF THE COSTS TO PURCHASE ADDITIONAL OFFICE SPACE NEAR CITY HALL, TO BE KNOWN AS THE CITY HALL ANNEX, AND ASSOCIATED PROPERTY INTERESTS, EQUIPMENT AND APPURTENANCES, (II) CARRY OUT A CURRENT REFUNDING OF ALL OF THE CITY'S OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS, 1998, AND TO PAY THE ADMINISTRATIVE COSTS OF SUCH REFUNDING, (III) PAY FOR CERTAIN DOWNTOWN INFRASTRUCTURE IMPROVEMENTS IN THE CITY'S REVITALIZATION AREA, AND (IV) PAY COSTS OF ISSUANCE OF THE BONDS; FIXING THE DATE, FORM, MATURITIES, INTEREST RATES, TERMS AND COVENANTS OF THE BONDS; ESTABLISHING A BOND REDEMPTION FUND, A PROJECT FUND AND A PROJECT ACCOUNT; AND APPROVING THE SALE AND PROVIDING FOR THE DELIVERY OF THE BONDS TO SEATTLE-NORTHWEST SECURITIES CORPORATION OF SEATTLE, WASHINGTON

WHEREAS, the City of Auburn, Washington (the "City"), is in need of funds with which to finance the City Hall Annex Project (defined in Section 1, below), the estimated cost of which is \$24,500,000, and the LRF Projects (defined in Section 1, below), the estimated cost of which is \$8,000,000, and the City does not have available sufficient funds to pay the cost; and

WHEREAS, pursuant to Ordinance No. 5160, the City issued its \$4,000,000 par value Limited Tax General Obligation Bonds, 1998 (the "1998 Bonds"), for the purpose of providing funds to pay the costs of constructing a library to be owned and operated by the King County Rural Library District and related improvements, and by that ordinance reserved the right to redeem the 1998 Bonds prior to their maturity at any time on or after December 1, 2008, at a price of par plus accrued interest to the date fixed for redemption; and

WHEREAS, there are presently outstanding \$2,235,000 par value of 1998 Bonds maturing on December 1, of each of the years 2010 through 2018, inclusive, and bearing various interest rates from 4.00% to 4.35% (the "Refunded Bonds");

WHEREAS, after due consideration, it appears to the City Council that the Refunded Bonds may be refunded by the issuance and sale of a series of limited tax general obligation bonds (the "2010A Bonds") so that a substantial savings will be effected by the difference between the principal and interest cost over the life of the 2010A Bonds allocable to the Refunding Plan (defined in Section 1, below) and the principal and interest cost over the life of

the Refunded Bonds but for such refunding, which refunding will be effected by carrying out the Refunding Plan; and

WHEREAS, to effect that refunding in the manner that will be most advantageous to the City, the City Council finds it necessary and advisable that certain Acquired Obligations (defined in Section 1, below), bearing interest and maturing at such time or times as necessary to accomplish the Refunding Plan, be purchased out of a portion of the proceeds of the 2010A Bonds; and

WHEREAS, the City Council deems it to be in the best interest of the City to borrow money by the issuance of four series of limited tax general obligation bonds (the "Bonds") for general city purposes to provide funds to finance the City Hall Annex Project and the LRF Projects, to carry out the Refunding Plan and to pay the costs of issuance of the Bonds; and

WHEREAS, Seattle-Northwest Securities Corporation has offered to purchase the Bonds authorized herein under the terms and conditions set forth in this ordinance in the form of a bond purchase contract; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, DOES ORDAIN AS FOLLOWS:

**Section 1. Definitions.** As used in this ordinance the following words shall have the following meanings:

(a) "2010A Bonds" means the \$\_\_\_\_\_ par value Limited Tax General Obligation Improvement and Refunding Bonds, 2010A, of the City issued pursuant to and for the purposes provided in this ordinance.

(b) "2010B Bonds" means the \$\_\_\_\_\_ par value Limited Tax General Obligation Bonds, 2010B (Taxable Build America Bonds – Direct Payment), of the City issued pursuant to and for the purposes provided in this ordinance.

(c) "2010C Bonds" means \$\_\_\_\_\_ par value Limited Tax General Obligation Bonds, 2010C, of the City issued pursuant to and for the purposes provided in this ordinance.

(d) "2010D Bonds" means the \$\_\_\_\_\_ par value Limited Tax General Obligation Bonds, 2010D (Taxable Build America Bonds – Direct Payment), of the City issued pursuant to and for the purposes provided in this ordinance.

(e) "Acquired Obligations" means those United States Treasury Certificates of Indebtedness, Notes, and Bonds—State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

(f) "Bond Fund" means the Limited Tax General Obligation Bond Fund, 2010, created by this ordinance for the payment of the Bonds.

(g) "Bond Register" means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of each Bond and the principal amount and number of Bonds held by each owner.

(h) "Bond Registrar" means the Fiscal Agent.

(i) "Bonds" means, collectively, the 2010A Bonds, the 2010B Bonds, the 2010C Bonds and the 2010D Bonds.

(j) "Build America Bonds" means, collectively, the 2010B Bonds and the 2010D Bonds.

(k) "City" means the City of Auburn, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the state of Washington.

(l) "City Hall Annex Project" means the acquisition of additional office space near City Hall, including associated property interests, equipment and appurtenances, to be known as the City Hall Annex, which acquisition shall not include Condominium Unit 390.

(m) "City Hall Annex Project Account" means the account created within the City's Capital Projects Fund by this ordinance for the purpose of funding the City Hall Annex Project.

(n) "Code" means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(o) "DTC" means The Depository Trust Company, New York, New York.

(p) "Finance Director" means the Finance Director of the City.

(q) "Fiscal Agent" means the fiscal agent of the State of Washington, as the same may be designated by the State from time to time.

(r) "Letter of Representations" means the Blanket Issuer Letter of Representations dated February 18, 1997, between the City and DTC, as it may be amended from time to time.

(s) "LRF Projects" mean the construction or reconstruction of the downtown improvements described in Ordinance No. \_\_\_\_\_, including, but not limited to, improvements to sidewalks, crosswalks, pedestrian street lighting, utility upgrades and other street improvements within the City's Revitalization Area.

(t) "MSRB" means the Municipal Securities Rulemaking Board.

(u) "Promenade Project Fund" means the fund created by this ordinance for the purpose of funding the LRF Projects.

(v) "Rating Agency" means the nationally recognized rating agency or agencies, if any, at the time rating the Bonds at the request of the City.

(w) "Refunded Bonds" means the outstanding Limited Tax General Obligation Bonds, 1998, of the City maturing in the years 2010 through 2018, inclusive, issued pursuant to Ordinance No. 5160, the refunding of which has been provided for by this ordinance.

(x) "Refunding Plan" means:

(i) the deposit with the Refunding Trustee of an amount of proceeds of the Bonds that (together with other money of the City, if necessary) will be sufficient to acquire the Acquired Obligations to be held, with cash, if necessary, by the Refunding Trustee;

(ii) the call, payment and redemption on June 14, 2010, of all of the outstanding Refunded Bonds at a price of par plus accrued interest; and

(iii) the payment of the costs of carrying out the foregoing elements of the Refunding Plan.

(y) "Refunding Trust Agreement" means a Refunding Trust Agreement between the City and the Refunding Trustee substantially in the form of that which is on file with the Finance Director and by this reference incorporated herein.

(z) "Refunding Trustee" means U.S. Bank National Association of Seattle, Washington, serving as trustee or escrow agent or any successor trustee or escrow agent.

(aa) "SEC" means the United States Securities and Exchange Commission.

(bb) "Tax-Exempt Bonds" means, collectively, the 2010A Bonds and the 2010C Bonds.

(cc) "Term Bonds" means those Build America Bonds maturing in the years 20\_\_ and 20\_\_ which are subject to mandatory redemption prior to maturity.

**Section 2. Debt Capacity.** The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for the calendar year 2010 is \$7,809,499,809, and the City has outstanding general indebtedness evidenced by limited tax general obligation bonds, notes, leases and conditional sales contracts (excluding the Refunded Bonds to be refunded by this ordinance) in the principal amount of \$35,881,485 incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein, and has no outstanding unlimited tax general obligation bonds. The aggregate amount of indebtedness authorized to be issued by this ordinance is \$\_\_\_\_\_.

**Section 3. Authorization of Bonds.** The City shall borrow money on the credit of the City and issue four series of negotiable limited tax general obligation bonds evidencing that indebtedness in the aggregate amount of \$\_\_\_\_\_ for general City purposes as further described below. The general indebtedness to be incurred shall be within the limit of up to 1½%

of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein.

**Section 4. Description of 2010A Bonds.** The 2010A Bonds shall be called Limited Tax General Obligation Improvement and Refunding Bonds, 2010A, of the City, issued to provide funds with which to (i) pay a portion of the costs of the City Hall Annex Project, (ii) carry out the Refunding Plan, and (iii) pay the costs of issuance and sale of the 2010A Bonds. The 2010A Bonds shall be in the aggregate principal amount of \$\_\_\_\_\_ ; shall be dated their date of delivery to the initial purchasers thereof; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable semiannually on each June 1 and December 1, commencing December 1, 2010, to the maturity of the 2010A Bonds; and shall mature on December 1 in the years and amounts and bear interest at the rates per annum as follows:

<b>Maturity</b>		<b>Interest</b>
<b>Years</b>	<b>Amounts</b>	<b>Rates</b>

The life of the capital facilities financed or refinanced with proceeds of the 2010A Bonds exceeds the term of the 2010A Bonds.

**Section 5. Description of 2010B Bonds.** The 2010B Bonds shall be called Limited Tax General Obligation Bonds, 2010B (Taxable Build America Bonds – Direct Payment), of the City, issued to provide funds with which to pay a portion of the costs of the City Hall Annex Project and the costs of issuance and sale of the 2010B Bonds. The 2010B Bonds shall be in the aggregate principal amount of \$\_\_\_\_\_ ; shall be dated their date of delivery to the initial purchasers thereof; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable semiannually on each June 1 and December 1, commencing December 1, 2010, to the maturity or earlier redemption of the 2010B Bonds; and shall mature on December 1 in the years and amounts and bear interest at the rates per annum as follows:



<b>Maturity Years</b>	<b>Amounts</b>	<b>Interest Rates</b>
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The life of the capital facilities financed with proceeds of the 2010B Bonds exceeds the term of the 2010B Bonds.

**Section 6. Description of 2010C Bonds.** The 2010C Bonds shall be called Limited Tax General Obligation Bonds, 2010C, of the City, issued to provide funds with which to pay a portion of the costs of the LRF Projects and to pay the costs of issuance and sale of the 2010C Bonds. The 2010C Bonds shall be in the aggregate principal amount of \$ \_\_\_\_\_; shall be dated their date of delivery to the initial purchasers thereof; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable semiannually on each June 1 and December 1, commencing December 1, 2010, to the maturity of the 2010C Bonds; and shall mature on December 1 in the years and amounts and bear interest at the rates per annum as follows:

<b>Maturity Years</b>	<b>Amounts</b>	<b>Interest Rates</b>
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The life of the capital facilities financed or refinanced with proceeds of the 2010C Bonds exceeds the term of the 2010C Bonds.

**Section 7. Description of 2010D Bonds.** The 2010D Bonds shall be called Limited Tax General Obligation Bonds, 2010D (Taxable Build America Bonds – Direct Payment), of the

City, issued to provide funds with which to pay a portion of the costs of the LRF Projects and the costs of issuance and sale of the 2010D Bonds. The 2010D Bonds shall be in the aggregate principal amount of \$ \_\_\_\_\_; shall be dated their date of delivery to the initial purchasers thereof; shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable semiannually on each June 1 and December 1, commencing December 1, 2010, to the maturity or earlier redemption of the 2010D Bonds; and shall mature on December 1 in the years and amounts and bear interest at the rates per annum as follows:

<b>Maturity</b>		<b>Interest</b>
<b>Years</b>	<b>Amounts</b>	<b>Rates</b>

The life of the capital facilities financed with proceeds of the 2010D Bonds exceeds the term of the 2010D Bonds.

**Section 8.**     **Registration and Transfer of Bonds.** The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Bond Register shall contain the name and mailing address of the owner of each Bond and the principal amount and number of each of the Bonds held by each owner.

Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any authorized denomination of an equal aggregate principal amount and of the same series, interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days preceding any principal payment or redemption date.

The Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository in accordance with the provisions of the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants of any amount in respect of principal of or interest on the Bonds, or

any notice which is permitted or required to be given to registered owners hereunder (except such notice as is required to be given by the Bond Registrar to DTC).

For as long as any Bonds are held in fully immobilized form, DTC, its nominee or its successor depository shall be deemed to be the registered owner for all purposes hereunder and all references to registered owners, bondowners, bondholders or the like shall mean DTC or its nominee and shall not mean the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except: (i) to any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it; (ii) to any substitute depository appointed by the City or such substitute depository's successor; or (iii) to any person if the Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the City that it no longer wishes to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the City may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

If (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the City determines that the Bonds are to be in certificated form, the ownership of Bonds may be transferred to any person as provided herein and the Bonds no longer shall be held in fully immobilized form.

**Section 9. Payment of Bonds.** Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by checks or drafts of the Bond Registrar mailed on the interest payment date to the registered owners at the addresses appearing on the Bond Register on the 15<sup>th</sup> day of the month preceding the interest payment date or, if requested in writing by a registered owner of \$1,000,000 or more in principal amount of Bonds of a series prior to the applicable record date, by wire transfer on the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners to the Bond Registrar. Notwithstanding the foregoing, for as long as the Bonds are registered in the name of DTC or its nominee, payment of principal of and interest on the Bonds shall be made in the manner set forth in the Letter of Representations.

**Section 10. Redemption Provisions and Open Market Purchase of Bonds.**

(a) **Optional Redemption of Tax-Exempt Bonds.** The Tax-Exempt Bonds shall be issued without the right or option of the City to redeem the Tax-Exempt Bonds prior to their stated maturity dates.

(b) **Optional Redemption of Build America Bonds.** The City reserves the right and option to redeem the Build America Bonds prior to their stated maturity dates at any time on or

after December 1, 2019, as a whole or in part, at a price equal to the principal amount to be redeemed, without premium, plus accrued interest to the date fixed for of redemption.

(c) Extraordinary Optional Redemption. The City additionally reserves the right and option to redeem the Build America Bonds prior to their stated maturity dates at any time prior to December 1, 2019, as a whole or in part, upon the occurrence of an Extraordinary Event, at the Extraordinary Optional Redemption Price.

An "Extraordinary Event" will have occurred if the City determines that a material adverse change has occurred to Section 54AA or Section 6431 of the Code or there is any guidance published by the Internal Revenue Service or the United States Treasury with respect to such Sections or any other determination by the Internal Revenue Service or the United States Treasury, which determination is not the result of any act or omission by the City to satisfy the requirements to qualify to receive the 35% cash subsidy payment from the United States Treasury, pursuant to which the City's 35% cash subsidy payment from the United States Treasury is reduced or eliminated.

"Extraordinary Optional Redemption Price" means the greater of (i) 100% of the principal amount of the Build America Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest to the earlier of (A) the stated maturity date on the Build America Bonds to be redeemed or (B) the next available date on which the Build America Bonds may be optionally redeemed at a price of par (plus accrued interest, if any), discounted (on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months) to the date on which such Build America Bonds are to be redeemed at the Treasury Rate plus 100 basis points, plus, in each case, accrued interest on the Build America Bonds to be redeemed to the date fixed for redemption.

"Treasury Rate" means, with respect to any date fixed for redemption for a particular Build America Bond, the yield to maturity as of such date of United States Treasury securities with a constant maturity (excluding inflation indexed securities, and as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available as of the first Business Day that is at least thirty-five days prior to such scheduled redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from such date to the stated maturity date of such Build America Bond.

At the request of the Bond Registrar, the Extraordinary Optional Redemption Price shall be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense. Absent manifest error, such determination shall be conclusive and binding on the City, the Bond Registrar and the Registered Owners, and neither the City nor the Bond Registrar shall be liable for relying on such determination.

(d) Mandatory Redemption of Term Bonds.

(i) 2010B Bonds. The 2010B Bonds maturing in 20\_\_ and 20\_\_ are Term Bonds and, if not redeemed under the optional or extraordinary optional redemption provisions set forth above or purchased in the open market under the provisions set forth below, shall be called for redemption *pro rata* at a price equal to the principal amount to be redeemed, without premium, plus accrued interest to the date fixed for redemption, on December 1 in years and amounts as follows:

**2010B Term Bonds Maturing in 20\_\_**

<b>Mandatory Redemption Years</b>	<b>Mandatory Redemption Amounts</b>	<b>Mandatory Redemption Years</b>	<b>Mandatory Redemption Amounts</b>
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**2010B Term Bonds Maturing in 20\_\_**

<b>Mandatory Redemption Years</b>	<b>Mandatory Redemption Amounts</b>	<b>Mandatory Redemption Years</b>	<b>Mandatory Redemption Amounts</b>
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(ii) 2010D Bonds. The 2010D Bonds maturing in 20\_\_ and 20\_\_ are Term Bonds and, if not redeemed under the optional or extraordinary optional redemption provisions set forth above or purchased in the open market under the provisions set forth below, shall be called for redemption *pro rata* at a price equal to the principal amount to be redeemed, without premium, plus accrued interest to the date fixed for redemption, on December 1 in years and amounts as follows:

**2010D Term Bonds Maturing in 20\_\_**

<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>	<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
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**2010D Term Bonds Maturing in 20\_\_**

<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>	<u>Mandatory Redemption Years</u>	<u>Mandatory Redemption Amounts</u>
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(iii) Credit for Mandatory Redemption Amounts. If the City redeems under Section 10(a) or (b), purchases in the open market or defeases Term Bonds, the par amount of the Term Bonds so redeemed, purchased or defeased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation at least 60 days prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(e) Partial Redemption of Bonds. Portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple thereof, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond to the Bond Registrar, there shall be issued to the registered owner, without charge therefor, a new Bond (or Bonds, at the option of the registered owner) of like series, maturity and interest rate in any of the denominations authorized by this ordinance in the aggregate total amount remaining unredeemed.

(f) Open Market Purchase. The City further reserves the right and option to purchase any or all of the Bonds in the open market at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(g) **Selection of Bonds for Redemption.** If fewer than all of the outstanding Bonds of a series are to be redeemed prior to maturity, then (a) if the Bonds are in book-entry form at the time of such redemption, the Bond Registrar shall instruct DTC to instruct the DTC Participants to select the specific Bonds for redemption *pro rata*, and neither the City nor the Bond Registrar shall have any responsibility to ensure that DTC or the DTC Participants properly select such Bonds for redemption, and (b) if the Bonds are not then in book-entry form at the time of such redemption, on each date fixed for redemption, the Bond Registrar shall select the specific Bonds for redemption *pro rata*. The portion of any Bonds of a denomination more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or any integral multiple thereof. The Bond Registrar shall select such portions of Bonds to be redeemed in such manner as the Bond Registrar in its discretion may deem to be fair and appropriate. Notwithstanding the foregoing, for as long as the Bonds are registered in the name of DTC or its nominee, selection of Bonds for redemption shall be in accordance with the Letter of Representations.

(h) **Cancellation of Bonds.** All Bonds purchased or redeemed under this section shall be canceled.

**Section 11. Notice of Redemption.** While the Bonds are held by DTC in book-entry only form, any notice of redemption shall be given at the time, to the entity and in the manner required by DTC in accordance with the Letter of Representations, and the Bond Registrar shall not be required to give any other notice of redemption. If the Bonds cease to be in book-entry only form, the City shall cause notice of any intended redemption of Bonds to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the owner of any Bond.

In the case of an optional redemption, the notice may state that the City retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected registered owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant to the call. In addition, the redemption notice shall be mailed within the same period, postage prepaid, to the Rating Agency at its principal offices in New York, New York, or its successor, to the MSRB and to such other persons and with such additional information as the City shall determine, but these additional mailings shall not be a condition precedent to the redemption of Bonds.

**Section 12. Failure To Redeem Bonds.** If any Bond is not redeemed when properly presented at its maturity or call date, the City shall be obligated to pay interest on that Bond at

the same rate provided in the Bond from and after its maturity or call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the registered owner thereof.

**Section 13. Pledge of Full Faith and Credit; Additional Pledges of Taxes.**

(a) The Bonds. For as long as any of the Bonds are outstanding, the City irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds, and the full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

(b) The 2010A Bonds and 2010B Bonds – REET 1. The proceeds of real estate excise tax authorized under RCW 82.46.010(2) (“REET 1”), which is imposed, collected and allocated to expenditures for capital projects by Ordinance No. 3418 of the City, are pledged, as necessary, to the payment of the 2010A Bonds and the 2010B Bonds.

(c) The 2010C Bonds and 2010D Bonds – LRF Tax and REET 2. The proceeds received by the City of the sales and use tax authorized under RCW 82.14.505 and .510, which is imposed, collected and allocated by Ordinance No. 6031 of the City, are pledged, as necessary, to the payment of the 2010C Bonds and the 2010D Bonds.

The proceeds of real estate excise tax authorized under RCW 82.46.035(2) (“REET 2”), which is imposed, collected and allocated to expenditures for capital projects by Ordinance No. 4871 of the City, are pledged, as necessary, to the payment of the 2010C Bonds and the 2010D Bonds.

**Section 14. Form and Execution of Bonds.** Each series of Bonds shall be prepared in a form consistent with the provisions of this ordinance and state law and shall be signed by the Mayor and City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing a Certificate of Authentication in the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:



## CERTIFICATE OF AUTHENTICATION

This Bond is one of the fully registered City of Auburn, Washington, Limited Tax General Obligation [Improvement and Refunding] Bonds, [2010A/2010C] [2010B/2010D (Taxable Build America Bonds – Direct Payment)], described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENT  
Bond Registrar

By                     /SPECIMEN/                      
Authorized Signer

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

If any officer whose facsimile signature appears on the Bonds ceases to be an officer of the City authorized to sign bonds before the Bonds bearing his or her facsimile signature are authenticated or delivered by the Bond Registrar or issued by the City, those Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

**Section 15. Duties of Bond Registrar.** The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and City Ordinance No. 3905 establishing a system of registration for the City's bonds and obligations.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

**Section 16. Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.** The City covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bonds or other funds

of the City treated as proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds which would cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to the Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Tax-Exempt Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes.

**Section 17. Designation of Tax-Exempt Bonds as "Qualified Tax-Exempt Obligations."** The City has determined and certifies that (a) the Tax-Exempt Bonds are not "private activity bonds" within the meaning of Section 141 of the Code; (b) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) which the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Tax-Exempt Bonds are issued will not exceed \$30,000,000; and (c) the amount of tax-exempt obligations, including the Tax-Exempt Bonds, designated by the City as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Tax-Exempt Bonds are issued does not exceed \$30,000,000. The City designates the Tax-Exempt Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code

**Section 18. Election to Treat Build America Bonds as "Build America Bonds"**. The City hereby irrevocably elects to have Section 54AA of the Code apply to the Build America Bonds so that the Build America Bonds are treated as "build America bonds," and further to have Subsection 54AA(g) of the Code apply to the Build America Bonds so that the Build America Bonds are treated as "qualified bonds" with respect to which the City will be allowed a credit payable by the United States Treasury to or to the order of the City pursuant to Section 6431 of the Code in an amount equal to 35% of the interest payable on the Build America Bonds on each interest payment date. The City hereby authorizes and directs the Finance Director (or his or her designee) to take such actions and enter into such agreements as are necessary or appropriate for the City to receive or cause to be received from the United States Treasury the applicable federal credit payments in respect of the Build America Bonds, including, but not limited to, the timely filing with the Internal Revenue Service of Form 8038-CP—"Return for Credit Payments to Issuers of Qualified Bonds" in the manner prescribed by Internal Revenue Service Notice 2009-26. The City covenants that it will comply with the provisions of the Code, compliance with which would result in the interest on the Build America Bonds being excluded from gross income for federal tax purposes but for the City's irrevocable election to have Section 54AA of the Code apply to the Build America Bonds.

**Section 19. Refunding or Defeasance of the Bonds.** The City may issue refunding bonds pursuant to the laws of the State of Washington or use money available from any other lawful source to pay when due the principal of and interest on the Bonds, or any portion thereof

included in a refunding or defeasance plan, and to redeem and retire, refund or defease all such then-outstanding Bonds (hereinafter collectively called the "defeased Bonds") and to pay the costs of the refunding or defeasance. If money and/or "government obligations" (as defined in chapter 39.53 RCW, as now or hereafter amended) maturing at a time or times and bearing interest in amounts (together with money, if necessary) sufficient to redeem and retire, refund or defease the defeased Bonds in accordance with their terms are set aside in a special trust fund or escrow account irrevocably pledged to that redemption, retirement or defeasance of defeased Bonds (hereinafter called the "trust account"), then all right and interest of the owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. The owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account. The City shall include in the refunding or defeasance plan such provisions as the City deems necessary for the random selection of any defeased Bonds that constitute less than all of a particular maturity of the Bonds, for notice of the defeasance to be given to the owners of the defeased Bonds and to such other persons as the City shall determine, and for any required replacement of Bond certificates for defeased Bonds. The defeased Bonds shall be deemed no longer outstanding, and the City may apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes as it shall determine.

If the Bonds are registered in the name of DTC or its nominee, notice of any defeasance of Bonds shall be given to DTC in the manner prescribed in the Letter of Representations for notices of redemption of Bonds.

**Section 20. Bond Fund; Project Fund and Account; and Deposit of Bond Proceeds.** The Bond Fund is hereby created and established in the office of the City Finance Director as a special fund designated as the Limited Tax General Obligation Bond Fund, 2010, for the purpose of paying principal of and interest on the Bonds. All taxes collected for and allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund.

A portion of the principal proceeds and premium, if any, received from the sale and delivery of the 2010A Bonds sufficient to carry out the Refunding Plan shall be deposited with the Refunding Trustee and used in accordance with the provisions of Section 21.

There is also created and established in the office of the City Finance Director a special fund designated as the Promenade Project Fund. The principal proceeds and premium, if any, received from the sale and delivery of the 2010C Bonds and the 2010D Bonds shall be paid into the Promenade Project Fund and used to pay the costs of the LRF Project and the costs of issuance of the 2010C Bonds and 2010D Bonds. Until needed to pay such costs, the City may invest principal proceeds temporarily in any legal investment, and the investment earnings may be retained in the Promenade Project Fund and be spent for the purposes of that fund.

There is also created and established in the office of the City Finance Director a special account in the City's Capital Projects Fund designated as the City Hall Annex Project Account.

The principal proceeds and premium, if any, received from the sale and delivery of the 2010A Bonds and 2010B Bonds shall be paid into the City Hall Annex Project Account and used to pay the costs of the Project and the costs of issuance of the 2010A Bonds and 2010B Bonds. Until needed to pay such costs, the City may invest principal proceeds temporarily in any legal investment, and the investment earnings may be retained in the City Hall Annex Project Account and be spent for the purposes of that account.

**Section 21. Refunding of the Refunded Bonds.**

(a) Appointment of Refunding Trustee. U.S. Bank National Association of Seattle, Washington, is appointed Refunding Trustee.

(b) Use of 2010A Bond Proceeds; Acquisition of Acquired Obligations. A sufficient amount of the proceeds of the sale of the 2010A Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the City relating to the Refunded Bonds under Ordinance No. 5160 by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations are listed and more particularly described in Exhibit A attached to the Refunding Trust Agreement between the City and the Refunding Trustee. Any 2010A Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, shall be returned to the City at the time of delivery of the Bonds to the initial purchaser thereof and deposited in the [Bond Fund to pay interest on the 2010A Bonds on the first interest payment date] [City Hall Annex Project Account to pay costs of the City Hall Annex Project].

(c) Administration of Refunding Plan. The Refunding Trustee is authorized and directed to purchase the Acquired Obligations and to make the payments required to be made by the Refunding Plan from the Acquired Obligations and money deposited with the Refunding Trustee pursuant to this ordinance. All Acquired Obligations and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of Ordinance No. 5160, this ordinance, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the 2010A Bonds and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds shall be paid out of the proceeds of the 2010A Bonds.

(d) Authorization for Refunding Trust Agreement. To carry out the Refunding Plan provided for by this ordinance, the Mayor or the Finance Director of the City is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement substantially in the form on file with the City Clerk and by this reference made a part hereof setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection

with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Mayor or the Finance Director of the City is authorized to make such changes therein that do not change the substance and purpose thereof or that assure that the escrow provided therein and the 2010A Bonds are in compliance with the requirements of federal law governing the exclusion of interest on the 2010A Bonds from gross income for federal income tax purposes.

**Section 22. Call for Redemption of the Refunded Bonds.** The City calls for redemption on June 14, 2010, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the 2010A Bonds to the initial purchaser thereof. The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Ordinance No. 5160 in order to effect the redemption prior to their maturity of the Refunded Bonds.

**Section 23. City Findings with Respect to Refunding.** The City Council of the City finds and determines that the issuance and sale at this time of the 2010A Bonds allocable to the Refunding Plan will effect a savings to the City and is in the best interest of the City and its taxpayers and in the public interest. In making such finding and determination, the City Council has given consideration to the fixed maturities of the 2010A Bonds and the Refunded Bonds, the costs of issuance of the 2010A Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the 2010A Bonds [and other money of the City] used in the Refunding Plan pending payment and redemption of the Refunded Bonds.

The City Council further finds and determines that the money to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with Section 21 of this ordinance will discharge and satisfy the obligations of the City under Ordinance No. 5160 with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the City therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such ordinance immediately upon the deposit of such money with the Refunding Trustee.

**Section 24. Approval of Bond Purchase Contract.** Seattle-Northwest Securities Corporation of Seattle, Washington, has presented a purchase contract (the "Bond Purchase Contract") to the City offering to purchase the Bonds under the terms and conditions provided in the Bond Purchase Contract, which written Bond Purchase Contract is on file with the City Clerk and is incorporated herein by this reference. The City Council finds that entering into the Bond Purchase Contract is in the City's best interest and therefore accepts the offer contained therein and authorizes its execution by City officials.

The Bonds will be printed at City expense and will be delivered to the purchaser in accordance with the Bond Purchase Contract, with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.

The proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Bonds to the purchaser and for the proper application and use of the proceeds of the sale thereof.

**Section 25. Preliminary Official Statement Deemed Final.** The City Council has been provided with copies of a preliminary official statement dated \_\_\_\_\_, 2010 (the "Preliminary Official Statement"), prepared in connection with the sale of the Bonds. For the sole purpose of the Bond purchaser's compliance with SEC Rule 15c2-12(b)(1), the City "deems final" that Preliminary Official Statement as of its date, except for the omission of information as to offering prices, interest rates, selling compensation, aggregate principal amount per series, principal amount per maturity, maturity dates, options of redemption, delivery dates, ratings and other terms of the Bonds dependent on such matters.

**Section 26. Undertaking to Provide Continuing Disclosure.** To meet the requirements of SEC Rule 15c2-12(b)(5) (the "Rule"), as applicable to a participating underwriter for the Bonds, the City makes the following written undertaking (the "Undertaking") for the benefit of holders of the Bonds:

(a) **Undertaking to Provide Annual Financial Information and Notice of Material Events.** The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section ("annual financial information");

(ii) Timely notice of the occurrence of any of the following events with respect to the Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls (other than scheduled mandatory redemptions of Term Bonds); (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes; and

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in subsection (b) of this section.

(b) **Type of Annual Financial Information Undertaken to be Provided.** The annual financial information that the City undertakes to provide in subsection (a) of this section:

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles promulgated by the Government Accounting Standards Board ("GASB") and made

applicable to Washington state local governmental units such as the City, as such principles may be changed from time to time, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (2) a statement of authorized, issued and outstanding balance of general obligation debt; (3) the assessed value of property within the City subject to *ad valorem* taxation; and (4) *ad valorem* tax levy rates and amounts and percentage of taxes collected;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 2009; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. The Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by the Rule. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit of the City and any holder of Bonds, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if those provisions of the Rule which require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any failure to comply with the Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with the Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take such actions as that holder deems necessary, including seeking an order of specific performance from an appropriate court, to compel the City or other obligated person to comply with the Undertaking.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director of the City (or such other officer of the City who may in the future perform the duties of that office) or his or her designee is authorized and directed in his or her discretion to take such further actions as may be necessary, appropriate or convenient to carry out the Undertaking of the City in respect of the Bonds set forth in this section and in accordance with the Rule, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in subsection (a) has occurred, assessing its materiality with respect to the Bonds, and, if material, preparing and disseminating notice of its occurrence;

(iii) Determining whether any person other than the City is an "obligated person" within the meaning of the Rule with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of material events for that person in accordance with the Rule;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the City in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

**Section 27. Ratification.** All actions previously taken in accordance with this ordinance are hereby ratified and confirmed.

**Section 28. Effective Date of Ordinance.** This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

INTRODUCED: \_\_\_\_\_

PASSED: \_\_\_\_\_

APPROVED: \_\_\_\_\_

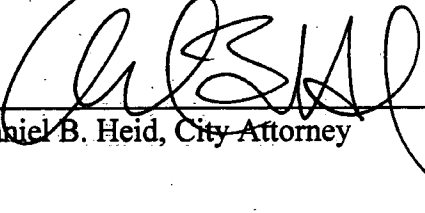
\_\_\_\_\_  
Peter B. Lewis, Mayor



ATTEST:

\_\_\_\_\_  
Danielle Daskam, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Daniel B. Heid, City Attorney

PUBLISHED: \_\_\_\_\_

## CERTIFICATION

I, the undersigned, City Clerk of the City of Auburn, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 6305 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on May 3, 2010, as that ordinance appears on the minute book of the City; and the Ordinance will be in full force and effect five days after publication in the City's official newspaper.

2. A quorum of the members of the City Council was present throughout the meeting and a majority of those members present voted in the proper manner for the passage of the Ordinance.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of May, 2010.

CITY OF AUBURN, WASHINGTON

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City Clerk